

FISCAL NOTE

HB 1067 - SB 1239

March 19, 2007

SUMMARY OF BILL: Requires a contribution by state government, based on years of service, for school teachers' (and their dependents') health insurance coverage and for retired school teachers' Medicare supplemental coverage. Amounts to be paid range from 45% of premium for employees with less than five years of service up to 80% of premium for employees with 33 or more years of service.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$47,300,000

Increase Local Govt. Expenditures – \$6,800,000*

Assumptions:

- Public Acts 2006, Chapter 963, Section 11, Item 2 appropriates 45% of the total average premium for teacher's health insurance through the Basic Education Program for FY06-07.
- The General Assembly continues to appropriate 45% for future years.
- According to the Division of Insurance within the Department of Finance and Administration, recurring expenditures would increase approximately \$47,300,000 and \$6,800,000 for state and local governments respectively.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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